

# Senate Committee on Property Tax



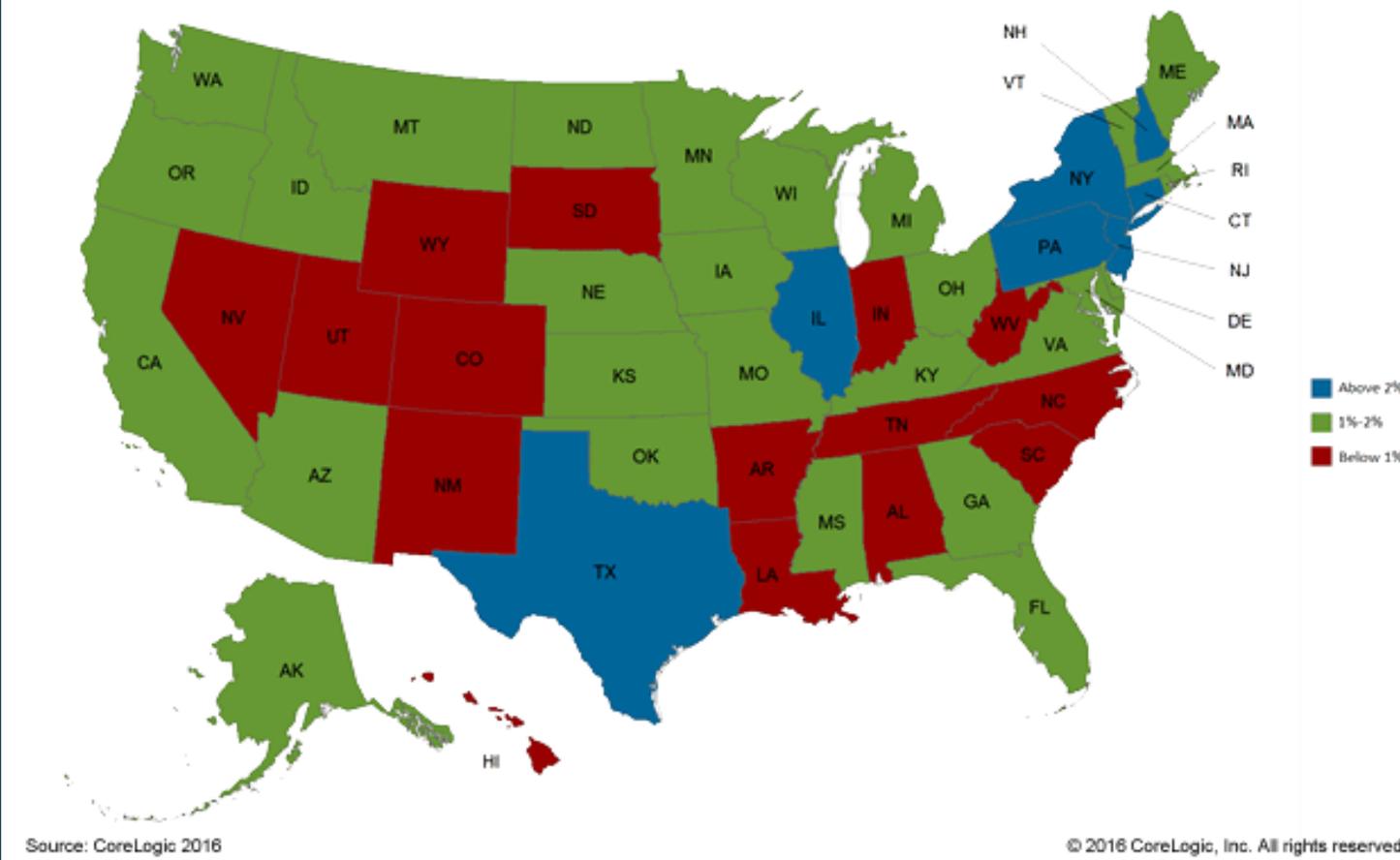
Senate Bill 2  
Property Tax Reform  
and Relief Act of 2019  
February 6, 2019



# LOCAL TAX BURDENS NATIONALLY

Texas has one of the highest property tax burdens in the country, with a median property tax rate of \$2.17 per \$100 in property value. In 2016, only 4 states had a higher median tax rate.

Figure 2: Media Property Tax Rates



Sources: CoreLogic, via Dallas Morning News

# LOCAL TAX BURDENS NATIONALLY

By 2017, Texas had moved into a statical second place tie with Illinois.

State	Effective Tax Rate	Avg. Property Tax	State	Effective Tax Rate	Avg. Property Tax
1. New Jersey	2.31%	\$8,477	46. Delaware	0.56%	\$1,526
2. Illinois	2.13%	\$4,845	47. Tennessee	0.54%	\$2,046
2. Texas	2.06%	\$5,935	48. Colorado	0.52%	\$2,046
3. New Hampshire	2.03%	\$5,935	49. Alabama	0.48%	\$776
4. Vermont	2.02%	\$5,150	50. Hawaii	0.32%	\$2,489

Source: Comparing average property taxes for all 50 states and DC, USA Today, April 16, 2017

# 2006-2017 Property Tax Levy Growth

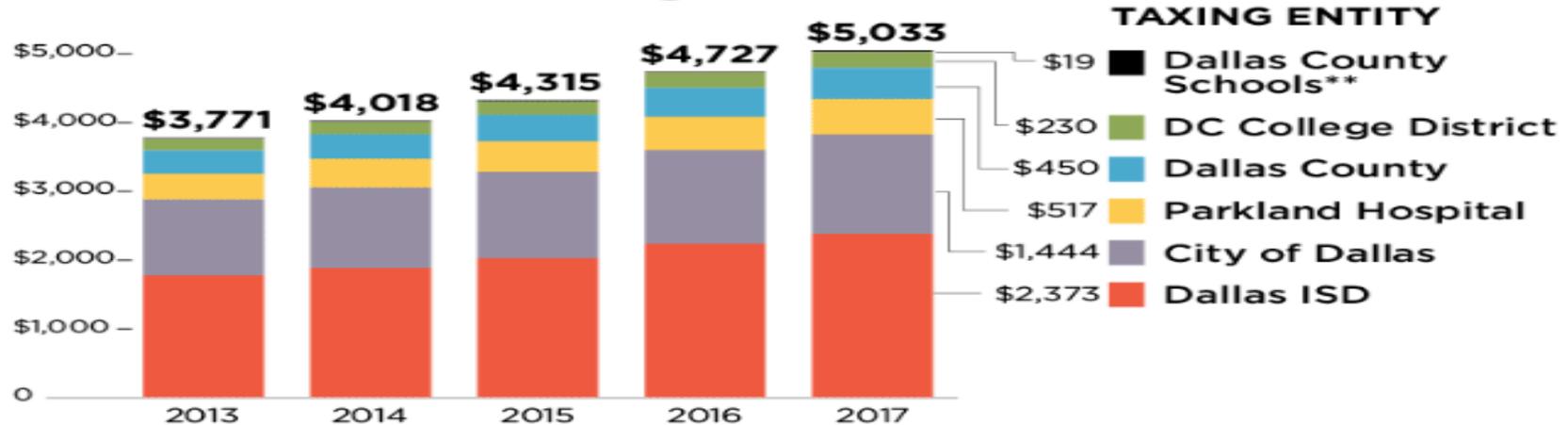
Since 2006, Property Tax Levies by class of taxing jurisdictions have grown by almost 54%, 79%, 83% and even over 100%.



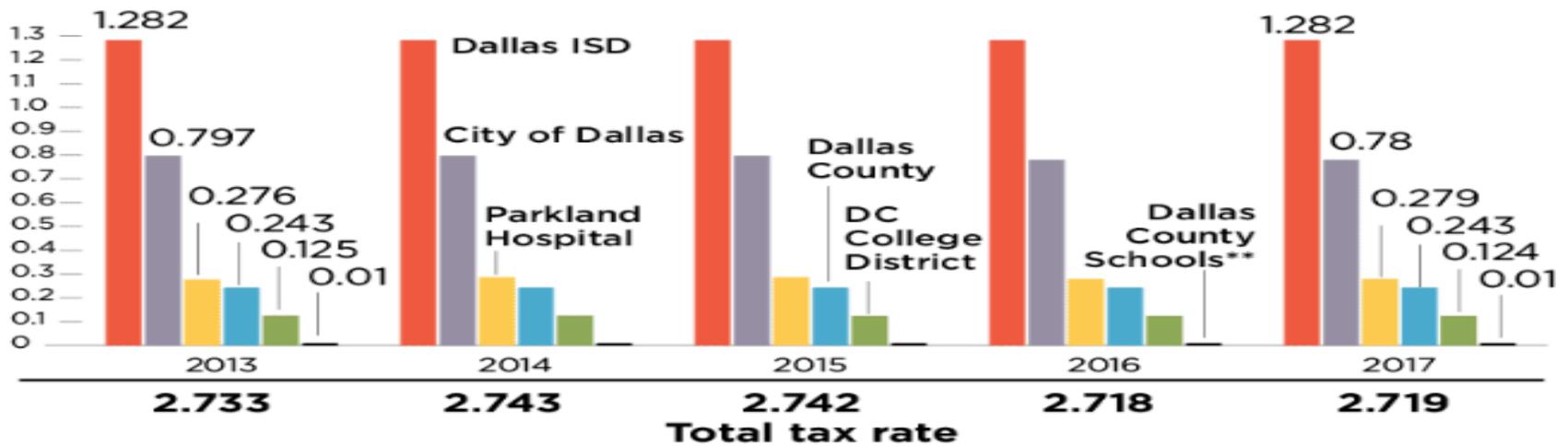
# Dallas property tax bills have climbed steadily

Property tax bills in Dallas include bills from six taxing entities, each with its own rate. The bills have climbed despite mostly flat tax rates because homes have increased in value.

## Annual taxes on the average Dallas home\*



## Tax rates have held steady



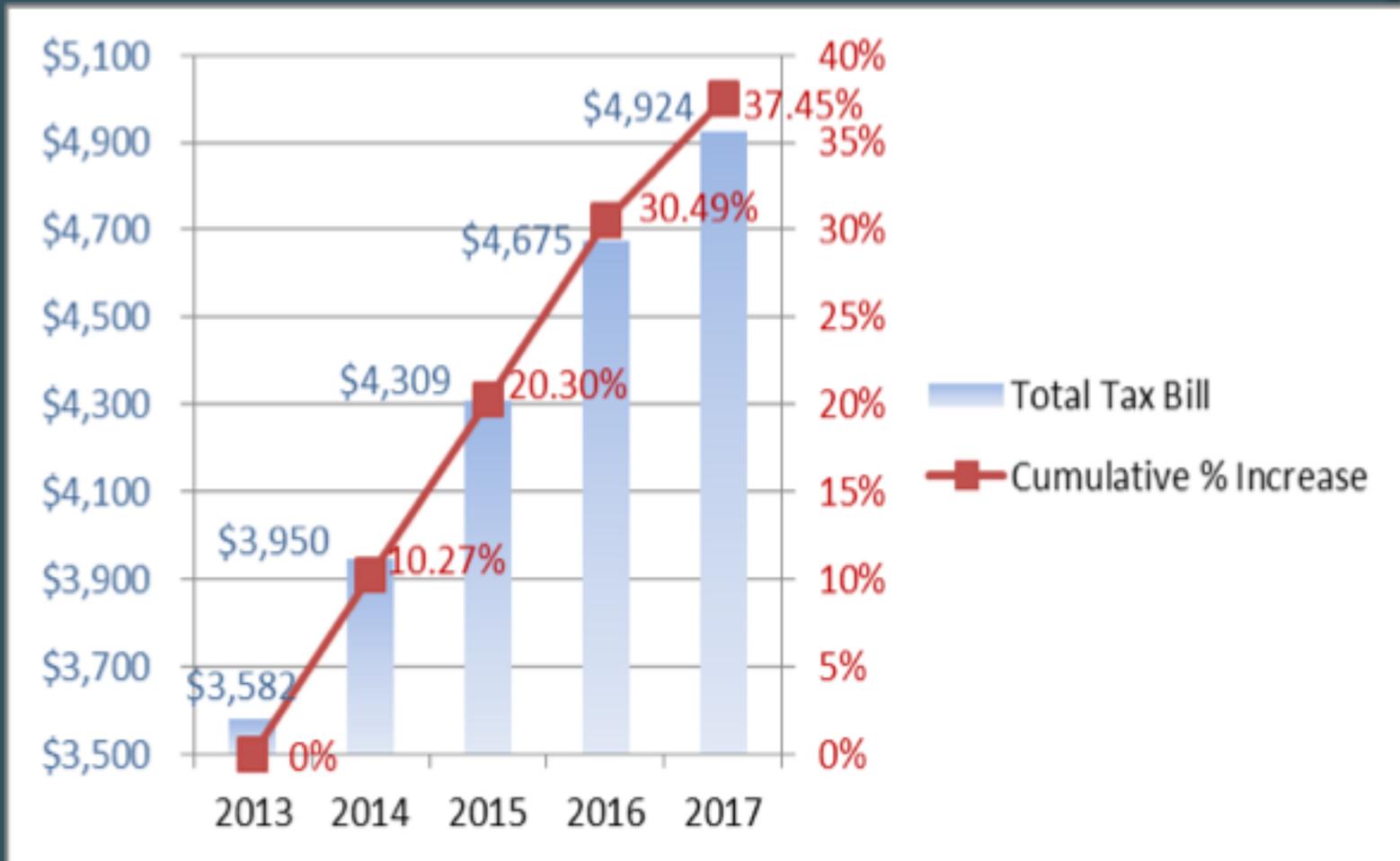
\*The average taxable value among single-family residences in Dallas increased from \$137,993 in 2013 to \$185,074 in 2017. The average taxable value takes into account the overall impact of homestead and other exemptions.

\*\*Dallas County Schools has been dissolved, and so in the future its taxing authority will be assumed by local school districts.

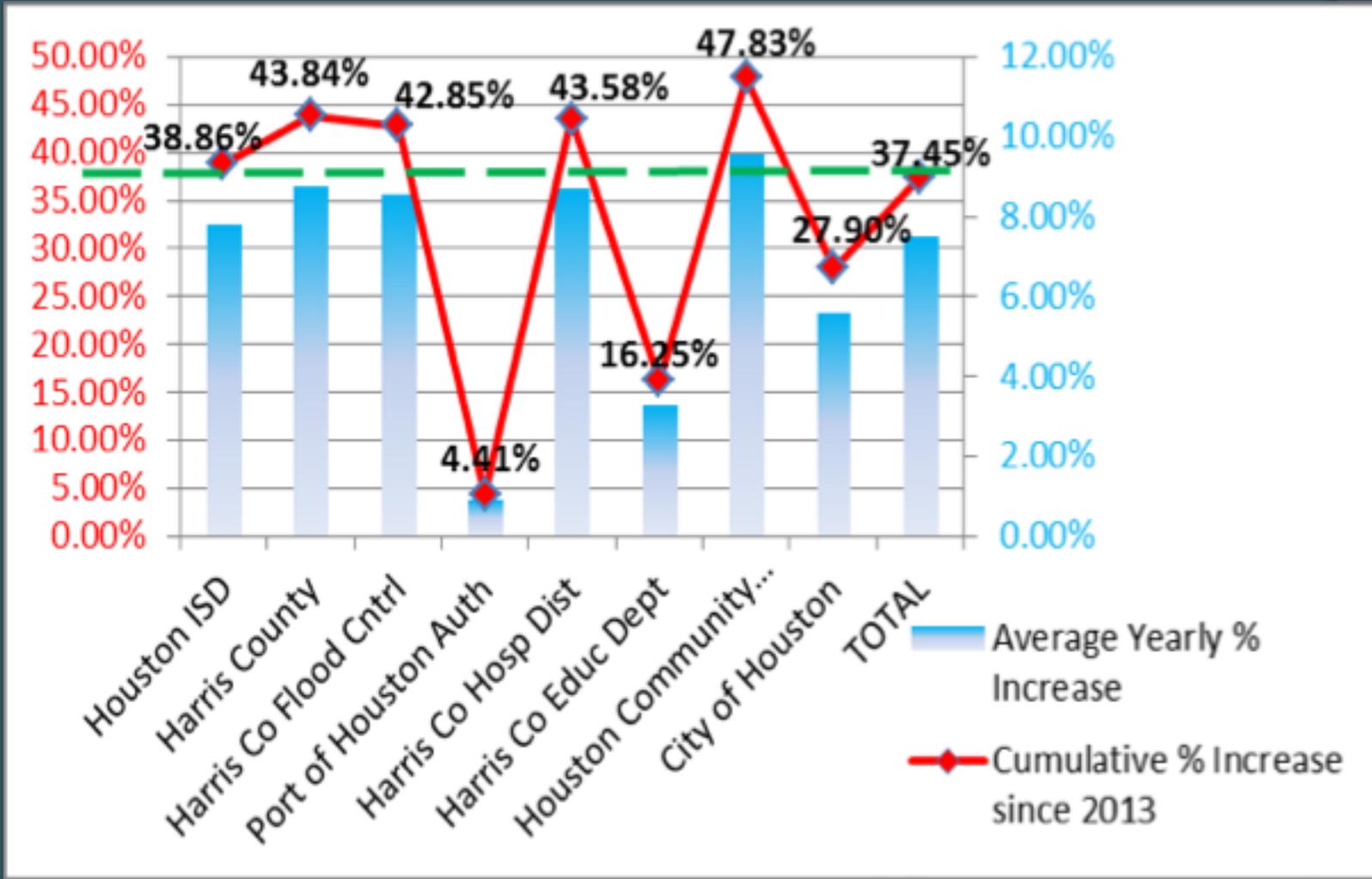
Staff Graphic

Source: "Property taxes are crushing Dallas homeowners, not that the City Council has noticed", Dallas Morning News Editorial, Aug 27, 2018

# Average City of Houston Homeowner's 4 Year Property Tax Bill Increase

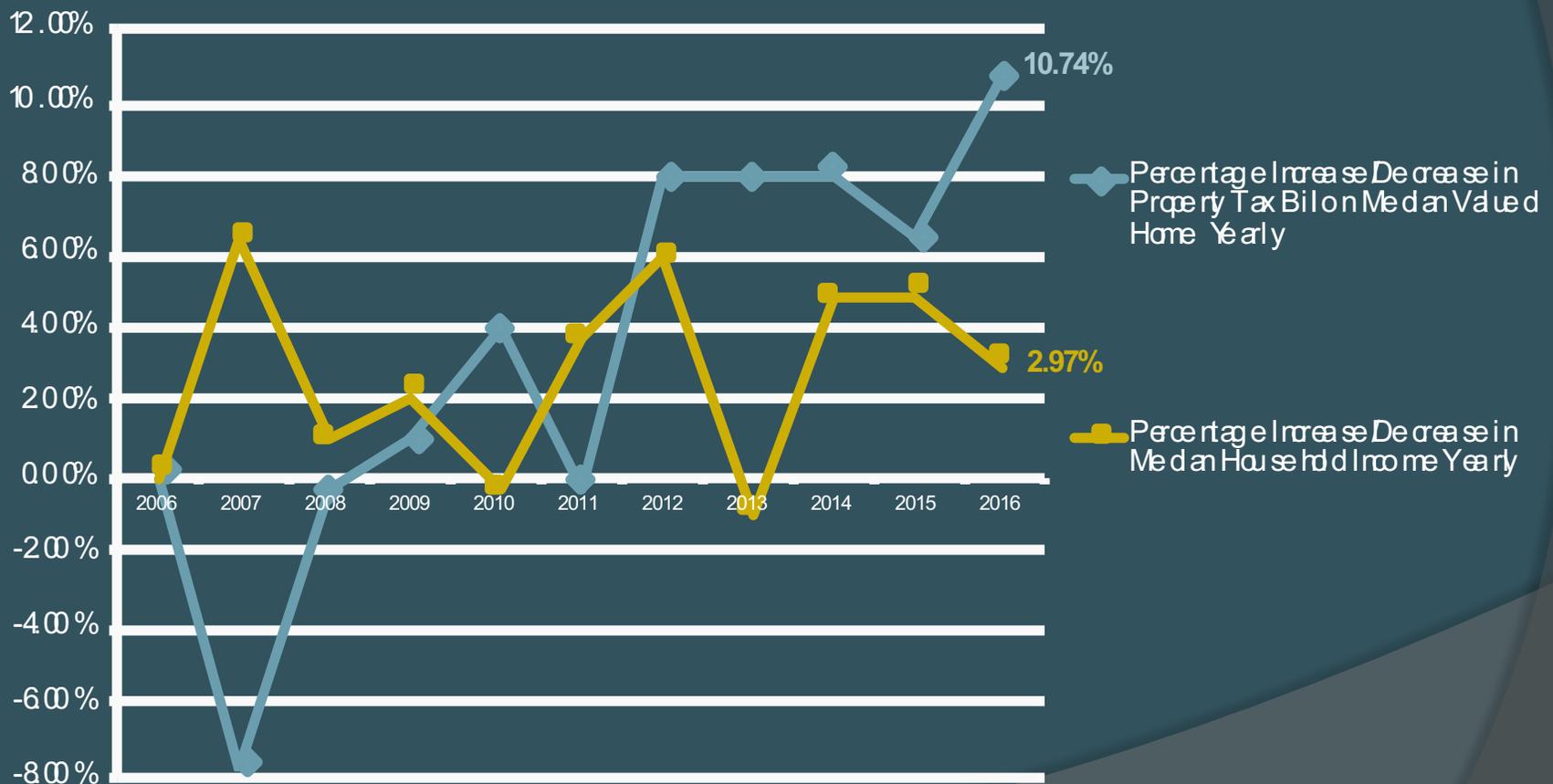


# Tax Growth by Taxing Jurisdiction 2013-2017



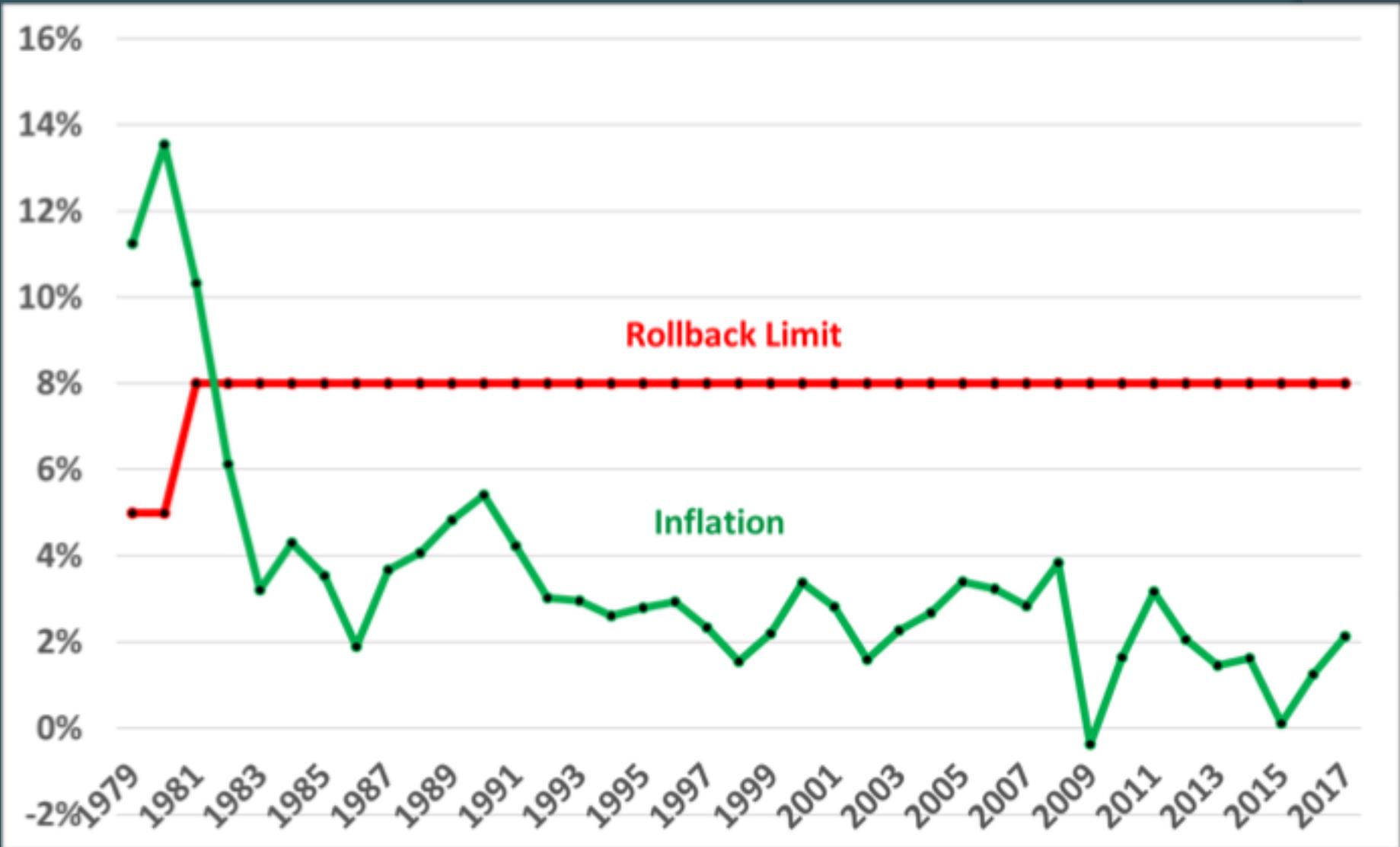
# Property Taxes on a Median Valued Home vs. Median Household Income

In 2016, Property Taxes on a Median Valued Home Grew 2.94 Time Faster than Median Household Income.

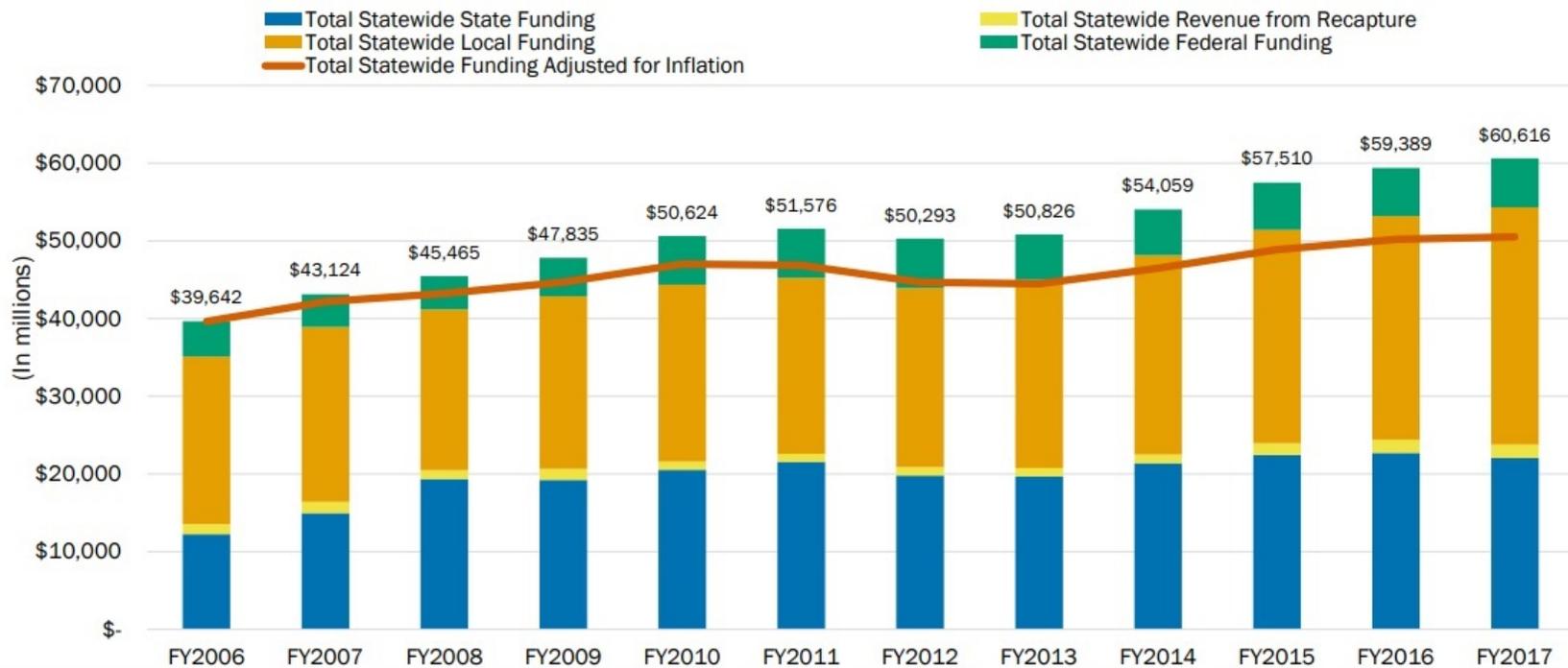


Sources: Texas Comptroller of Public Accounts; Texas Real Estate Research Center; Federal Reserve; US Bureau of Labor Statistics

# Rollback Limit Compared With Inflation 1979 - 2017

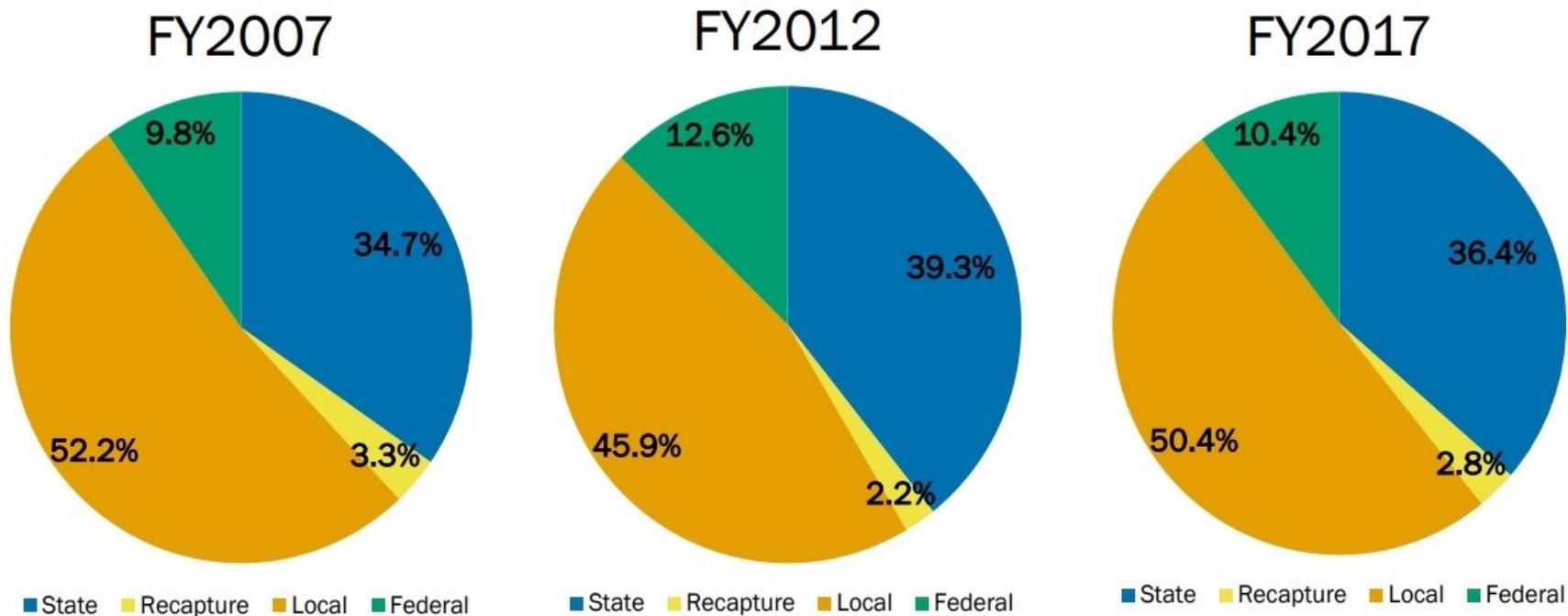


# Total annual funding has increased 53% (from \$39.6 billion in FY2006 to \$60.6 billion in FY2017)



Data sources: TEA PEIMS Financial Data, TEA Payment Report, and the General Appropriations Act

# Comparison of the percentage breakdown of funding sources between FY2007 and FY2017



# Senate Committee on Property Tax

Senator Paul Bettencourt, Chair  
Senator Angela Paxton, Vice-Chair

Senator Brandon Creighton      Senator Kelly Hancock  
Senator Juan “Chuy” Hinojosa

